

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER

9 5 - 0 0 1

2. STATE:

Illinois

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

1-1-95

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

1905(p) of the Social Security Act

7. FEDERAL BUDGET IMPACT: See #23 Remarks

a. FFY _____ \$ _____

b. FFY _____ \$ _____

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 4.19-B pages 1 and 3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement to Attachment 4.19-B pages 1
and 3

10. SUBJECT OF AMENDMENT:

Coverage of and Payment for HMO Benefit to QMBs

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Not submitted for review by
prior approval

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Robert W. Wright

14. TITLE:

Director

15. DATE SUBMITTED:

3-29-95

16. RETURN TO:

Illinois Department of Public Aid
100 South Grand Ave., East
Springfield, IL 62762

ATTN: Mary Ann Langston

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: 6/6/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

1/1/95

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE: Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

Rates are not available at this time but there will be an 8% savings from fee-for-service costs.

Revision: HCFA-PM-91-4

(BPD)

Supplement 1 to

ATTACHMENT 4.19-B

August 1991

Page 3

OMB No.: 0938-

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: ILLINOISMETHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CAREPayment of Medicare Part A and Part B Deductible/Coinsurance

=1/95 I. For Qualified Medicare Beneficiaries (QMBs) enrolled in Medicare Plus Choice Health Maintenance Organizations (HMOs), the capitated payment for coinsurance and deductibles will be negotiated with the HMO. The maximum monthly capitated payment rates will be determined as follows, using State fiscal year 1994 data:

- a) Segregate the eligible QMB population into separate categories according to:
 - 1) the geographic rate-setting areas utilized in determining the capitated payment rates for Medicaid managed care organizations;
 - 2) age (less than 65 years, 65 to 74, 75 to 84, 85 to 94 and greater than or equal to 95); and
 - 3) gender
- a) Within each eligible QMB category, the total Medicare Part A and Part B deductibles and copayments paid by the Department will be compiled and then divided by the total eligible months for QMBs of that category. The resulting average expenditure amount will be the monthly fee-for-service equivalent for that eligible QMB category.
- b) Rate cells will be combined if the respective fee-for-service equivalents are not statistically different, or if the population for a cell is not great enough for a valid average utilization calculation.
- c) For maximum rates to be paid for State fiscal year 1995 services, the FY1994 fee-for-service equivalent will be inflated according to the 1994 fourth quarter DRI Health Care Cost Inflation Index for the North Central States. For the maximum rates to be paid for State fiscal years 1996 and later, the base FY1994 claims will be inflated by the average of the four quarters of the DRI inflators for each year through the year for which the maximum rate will be calculated.
- d) The inflated fee-for-service equivalent will then be multiplied by 0.92 for an eight percent cost savings, thus establishing the HMO maximum rates for QMBs.

JUN 24 1991

TN No. 95-1Approval Date _____ Effective Date 1-1-95

Supersedes

TN No. 91-25